



STATE OF HAWAII  
DEPARTMENT OF TAXATION  
HONOLULU, HAWAII

May 22, 2012

INVITATION FOR BIDS  
DOTAX-IFB-FY-2012-02

SEALED BIDS  
FOR THE PRINTING AND DISTRIBUTION OF  
FORM 1099-G AND FORM 1099-INT

will be received up to the time bids will be opened at 10:30 a.m. on June 4, 2012  
at the Department of Taxation, Administrative Services Office, Princess Ruth Keelikolani Building,  
Room 217, 2nd floor, 830 Punchbowl Street, Honolulu, Hawaii.

All bids must be made on forms contained herein and must be submitted in strict accordance with  
the instructions therein.

Questions relating to this bid solicitation may be directed to Ms. Suzanne Efhan, phone 587-1500.

The Department of Taxation reserves the right to reject any or all bids and to waive any defects  
when such rejection will be in the best interest of the public.

SUZANNE EFHAN  
Administrative Services Officer  
Administrative Services Office

May 22, 2012

## INSTRUCTIONS TO BIDDERS

1. All bids shall be made on the Offer Form furnished by the Department of Taxation (the "Department") and shall be signed by the bidder with the bidder's business address and telephone number. The bidder is requested to submit bid using the bidder's exact legal name as registered with the Department of Commerce and Consumer Affairs. NO SUBSTITUTIONS OF MATERIALS OR ITEMS NOT EXPRESSLY PROVIDED FOR IN THE SPECIAL PROVISIONS, SPECIFICATIONS, AND GENERAL CONDITIONS WILL BE CONSIDERED OR ACCEPTED.

The following must be submitted with your bid. Failure to include certificates listed in A or B below will result in automatic rejection of your bid.

- A. A current Certificate of Vendor Compliance obtained through Hawaii Compliance Express <http://vendors.ehawaii.gov/hce/splash/instructions.html> dated no earlier than one week prior to the offer submission date. There is a nominal charge for obtaining certificates through Hawaii Compliance Express.

**OR**

- B. **All** of the following three certificates:

**1. TAX CLEARANCE CERTIFICATE** – A valid tax clearance certificate or current special letter signed by both the Department and the Internal Revenue Service (the IRS) certifying that the bidder does not owe the State of Hawaii and the IRS any delinquent taxes, penalties, or interest must be submitted with all sealed bids. Failure to submit the required tax clearance certificate or special letter will be sufficient grounds for the Department to refuse to receive or to consider the prospective bidder's bid.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 2010) which is available at the Department and IRS' offices in the State of Hawaii or the DOTAX website, and by mail:

DOTAX Website (Forms & Information):	<a href="http://www.hawaii.gov/tax">http://www.hawaii.gov/tax</a>
DOTAX Forms:	(808) 587-4242
	1-800-222-3229

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, at the address listed on the application. Facsimile numbers are:

DOTAX:	(808) 587-1488	IRS: (808) 539-1573
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The application for the clearance is the responsibility of the successful bidder, and must be submitted directly to the Department or IRS and not to the purchasing agency.

**AND**

**2. DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS CERTIFICATE OF COMPLIANCE (FORM LIR#27)**

HRS chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) are required for award.

Instructions are as follows:

Pursuant to §103D-310(c), HRS, the successful bidder shall be required to submit an approved certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR, form LIR#27, which is available at <http://hawaii.gov/labor> or at the neighbor island DLIR District Offices. The DLIR will return the form to the successful bidder who in turn shall submit it to the purchasing agency.

The application for the certificate is the responsibility of the successful bidder, and must be submitted directly to the DLIR and not to the purchasing agency.

**AND**

**3. DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS CERTIFICATE OF GOOD STANDING**

To be eligible for award, the successful bidder must comply as follows:

A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, bidder shall submit a CERTIFICATE OF GOOD STANDING. To obtain a CERTIFICATE OF GOOD STANDING, go online to [www.BusinessRegistrations.com](http://www.BusinessRegistrations.com) and follow the prompt instructions. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency. Bidders are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA.

2. The last day for the Department to return the approved final drafts of the proofs is November 13, 2012 and November 13, 2013. It will be the responsibility of the successful bidder to assure that the Department approves the final proofs by the above date in order to meet the delivery deadlines. Even if the successful bidder does not get the final approval of the drafts on the dates stated, the Department may impose a penalty for late delivery.

Final Format Testing of data that will be provided by DOTAX should be done by December 03, 2012 for 2012 forms and December 02, 2013 for 2013 forms.

3. The successful bidder must submit a progress report to the Department indicating the various due dates and other information required of the Department by the vendor along with specific instructions on shipping address. Progress reports must be submitted by October 15, 2012 for 2012 forms and October 15, 2013 for 2013 forms. All correspondence and records (i.e. proofs, files, etc.), are to be sent to the following address:

Department of Taxation  
Attention: Emill Acosta  
830 Punchbowl St., Room 217  
Honolulu, HI 96813  
Emill.B.Acosta@hawaii.gov

4. Any bid that contains any erasures or alterations not properly initialed or which contains other irregularities may be rejected as not in the best interest of the public. Any proposal which constitutes a conditional bid or a counter proposal will be rejected outright.
5. The bid price shall include all applicable taxes, all charges for USPS approved address updating process, and all transportation, handling, and delivery charges to the destinations indicated in the Specifications where final inspection and acceptance will be made by a duly authorized representative of the Department.
6. In case of error in extension of bid price, unit price shall govern.
7. All bids shall be submitted to the Department of Taxation, Administrative Services Office, Princess Ruth Keelikolani Building, 830 Punchbowl Street, Room 217, Honolulu, Hawaii 96813.
8. Along with the bid, the bidder must provide a detailed mock-up or sample illustrating the construction, composition, and personalization requirements. A written description of the proposed form should be provided if appropriate. Actual samples must be provided to illustrate the proposed construction.
9. Envelopes containing bids must be sealed and marked as follows:
  - 1) SEALED BID FOR THE DESIGNING, PRINTING AND DISTRIBUTION OF FORM 1099-G AND FORM 1099-INT
  - 2) To be opened at 10:30 a.m. on June 4, 2012
  - 3) Bid submitted by: NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE NUMBER: \_\_\_\_\_

10. PROOFS: Proofs with original copy, paste-ups, and blue or brownlines shall be submitted to the Technical Section Supervisor, Room 219. The Technical Section Supervisor reserves the right to make any changes and insertions on any printed matter from the original copy, and paste-ups, as well as the blue or brownlines. It is the responsibility of the successful bidder to secure the final proof that is approved by the Department in order to meet the delivery date as specified in Specifications.

## SPECIAL PROVISIONS

### BIDDER PROVISIONS

1. SUCCESSFUL BIDDER

As used in this bid, the term "successful bidder" means an individual, partnership, firm, corporation, joint venture or other legal entity submitting directly or through his, their or its authorized agents or representative, a bid for the work or services contemplated in response to this IFB and that is found to be the lowest responsible bidder when the bids are opened.

2. SCOPE OF WORK

The furnishing of all labor, materials, tools, supplies, and equipment necessary to print, collate, bind, fold, and deliver Form 1099-G and Form 1099-INT, in accordance with these Special Provisions, the Bid Specifications, and General Conditions which are included in this Bid Proposal.

3. BID QUOTATION

Bid prices shall include the designing, printing, and distribution (taking advantage of the lowest postage rate for first class mail offered by the USPS from vendor's facility to payees), including cost of intelligent mail bar code, cost to ensure compliance with USPS Move Update standards of Form 1099-G and Form 1099-INT, all applicable taxes, and any other costs incurred.

4. CONTRACT EXECUTION

The successful bidder shall be required to enter into a formal written contract. No performance bond will be required.

The Department will issue a notice to proceed, which may be in the form of the contract specifying the commencement date. Any work performed by the successful bidder prior to receipt of a notice to proceed on a fully executed copy of the contract shall be at the successful bidder's own risk and expense. The Department is not and shall not be liable for any work, contract costs, expenses, loss of profits or damages whatsoever incurred by the successful bidder prior to the contract commencement date.

5. SAMPLES

Upon the Department's request, twenty (20) each of Form 1099-G and Form 1099-INT without live taxpayers' data shall be delivered to the address below:

Department of Taxation  
Attention: Emill Acosta  
830 Punchbowl Street, Room 217  
Honolulu, HI 96813

6. METHOD OF AWARD

The Department will award this contract as a lot, all or none basis, to the competitor whose proposal is determined to be in the best interest of the Department from a technical as well as lowest overall project cost, including document, handling, distribution costs, the effective unit bid price, reliability, accuracy, and level of services based upon past experience of prospective contractors.

Reference Responsibility of Offerors in §3-122-112, HAR. Offeror shall produce documents to the procurement officer to demonstrate compliance with this section.

**HRS chapter 237 tax clearance requirement for award and final payment.**

Instructions are as follows:

Pursuant to §103D-328, HRS, the successful bidder shall be required to submit a tax clearance certificate issued by the Department and the Internal Revenue Service (IRS). The certificate is valid for six (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the purchasing agency.

The tax clearance certificate shall be obtained on the State of Hawaii, Department of Taxation TAX CLEARANCE APPLICATION Form A-6 (Rev. 2010) which is available at the Department and IRS' offices in the State of Hawaii or the Department website, and by mail:

Website (Forms & Information): <http://www.hawaii.gov/tax>  
Forms by Mail: (808) 587-4242  
1-800-222-3229

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, at the address listed on the application. Facsimile numbers are:

(808) 587-1488  
IRS: (808) 539-1573

The application for the clearance is the responsibility of the successful bidder, and must be submitted directly to the Department or IRS and not to the purchasing agency.

Contractor is also required to submit a tax clearance certificate for final payment on the contract. A tax clearance certificate, not over two months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract.

**HRS chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award.**

Instructions are as follows:

Pursuant to §103D-310(c), HRS, the successful bidder shall be required to submit an approved certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-122-112, HAR, form LIR#27 which is available at ([www.hawaii.gov/labor](http://www.hawaii.gov/labor)). From the DLIR web site, Form LIR#27 is listed under the Unemployment Insurance Division and Disability Compensation Division <http://hawaii.gov/labor>, or at the neighbor island DLIR District Offices. The DLIR will return the form to the successful bidder who in turn shall submit it to the purchasing agency.

The application for the certificate is the responsibility of the successful bidder, and must be submitted directly to the DLIR and not to the purchasing agency.

**Requirement for award.** To be eligible for award, the successful bidder must comply as follows:

**Hawaii business.** A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, Offeror shall submit a CERTIFICATE OF GOOD STANDING.

To obtain a CERTIFICATE OF GOOD STANDING go online to [www.BusinessRegistrations.com](http://www.BusinessRegistrations.com) and follow the prompt instructions. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency. Offerors are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA.

**Timely Submission of all Certificates.** The above certificates should be applied for and submitted to the purchasing agency as soon as possible. If a valid certificate is not submitted on a timely basis for award of contract, an offer otherwise responsive and responsible may not receive the award.

Final Payment Requirements. In addition to a tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22), attached, will be required for final payment. A copy of the Form is also available at [www.spo.hawaii.gov](http://www.spo.hawaii.gov). Select "Forms for Vendors/Contractors" from the Chapter 103D, HRS, pop-up menu.

7. **RIGHT TO REJECT**

The Department reserves the right to reject any proposal that does not meet the requirements herein and may request additional information or interview any bidder.



## CONTRACTOR PROVISIONS

### 1. CONTRACTOR

The term "Contractor" means an individual, partnership, firm, corporation, joint venture or other legal entity undertaking the execution of work under the terms of the contract with the Department, and acting directly or through his, their or its agents, employees or sub-contractors.

### 2. TERM OF CONTRACT

The Contractor shall enter into a contract for furnishing and delivering Form 1099-G and Form 1099-INT shall commence on the effective date and terminate on June 30, 2014 unless extended by mutual agreement. Unless terminated, the Contract may be extended for not more than two (2) additional twelve (12) month periods without the necessity of rebidding, upon mutual agreement in writing.

Should the Department renew the Contract for one or both optional periods, the price will be at bid rates.

### 3. SUBMISSION OF DIGITAL FILES

The Administrative Services Office or the Information Technology Services Office will furnish digital files containing 2012 and 2013 taxpayers' data by January 7, 2013 and January 7, 2014 respectively.

### 4. SUBCONTRACTING

No portion of the work shall be subcontracted without the prior written approval of the Department.

### 5. QUALITY CONTROL

The Contractor must have a definable quality control program in effect including procedures at the production floor level. Every 500th form shall be pulled and inspected for adherence to the specifications defined in this document. All aspects of designing, printing, and manufacturing must be performed under the same roof.

### 6. RE-EXECUTION OF WORK

The Contractor shall re-execute any work that fails to conform to the requirements of the Contract, in the sole judgment of the Department, and shall immediately remedy any defects due to faulty workmanship by the Contractor at no additional charge to the Department.

### 7. CONFIDENTIALITY OF MATERIAL

The Contractor fully understands and shall comply with and assume responsibility for compliance by his/her/its employees with the following requirements:

All work shall be performed under the supervision of the Contractor or the Contractor's responsible employees.

Any tax return or return information made available is confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. The Contractor's employees shall be subject to all federal and state disclosure laws.

All material and/or images given by the Department or made available to the Contractor shall be safeguarded by the Contractor and his/her/its employees and shall not be disclosed to any individual or organization without the prior written approval of the Department.

All tax returns and return information are confidential and shall be treated as such. It is unlawful for any person to disclose intentionally information imparted by any income tax return or estimate, or willfully to permit any tax return or estimate to be seen or examined by any person other than the Contractor or the Contractor's authorized agent or persons duly authorized by the Department in connection with their official duties, except as provided by law. Any offense against the foregoing provisions shall be punished by a fine and/or imprisonment as provided for under state and/or federal laws as applicable.

8. BACK-UP FACILITY

The Contractor must provide the address and telephone number of a wholly owned back-up facility with the same capability as the primary facility to complete the Contract in the event of a disaster rendering the primary facility inoperable.

9. CHANGE ORDER

The Department, at any time, by written change order, without invalidating the Contract, may make changes within the general scope of the Contract, including but not limited to work requirements and schedule, and specifications and materials used. However, if any such change will cause an increase or decrease in the cost of the Contract, an equitable adjustment shall be made in the Contract price. Such adjustment shall be agreed upon between the Department and the Contractor before the change order is issued and the changed work is undertaken.

If the equitable adjustment causes an increase in cost, payment for the additional charge may be made by purchase order and the Contractor may be required to bill separately from the basic contract charge.

10. PAYMENT

Advance funds for postage will be made no earlier than December 3, 2012 and December 2, 2013, based on the estimated amounts of Form 1099G and Form 1099INT to be mailed at the applicable postage rate. Upon delivery of the Forms 1099G and 1099INT and receipt of Proof of Mailing, the Department will issue a check of ninety-five percent (95%) of the Contract price within the period of thirty (30) days (less the advanced funds for postage). An amount equal to five percent (5%) of the Contract award will be withheld pending final acceptance of the work performed. The amount withheld shall be released to the Contractor upon: (1) satisfactory completion of the work; (2) acceptance by the Department of the work herein to be performed; and (3) the Contractor filing with the Department a tax clearance from the Department and the IRS stating that all delinquent taxes levied or accrued under state and federal statutes have been paid. The total amount to be paid will, however, be subject to any penalties that may be imposed by the Department.

11. ADDITIONAL CHARGES: The Department will not be liable for any incidental additional charges of up to ten percent (10%) of the Contract amount. In addition, the Department will only be liable for those reasonable and necessary additional charges in excess of the ten percent (10%) incidental charge base that are approved by the Department. The Contractor

must submit a breakdown, in writing, of these additional charges to the Department before approval can be given.

12. LIQUIDATED DAMAGES

Refer to item 9 of the General Conditions. Liquidated damages shall be assessed in the amount of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) for each and every calendar day the Contractor fails to perform in whole or in part any of his/her/its obligations specified herein.

13. TMELY RESPONSE TO ALL CONTACTS BY THE DEPARTMENT

If vendor is contacted and is not immediately available, call back to DOTAX should occur by the end of the same business day or early the following business day.

14. TERMINATION OF SERVICE

The performance of the work or services under the Contract may be terminated by the Department, in whole or in part, upon determination that such termination is necessary and in the best interest of the State. In such event, the Department shall be liable only for payment of work or services performed prior to the effective date of termination. The termination of work or services hereunder shall be effective upon thirty (30) calendar days written notice to the Contractor.

PRINTING AND DISTRIBUTION OF  
FORM 1099-G, 1099-INT FOR 2012 & 2013  
IFB No. DOTAX-IFB-FY-2012-02

Honorable Frederick D. Pablo  
Director of Taxation  
State of Hawaii  
830 Punchbowl Street, Room 221  
Honolulu, Hawaii 96813-2904

Sir:

This bid is made in accordance with the Special Provisions, Specifications, and General Conditions attached hereto and made a part hereof for the printing and distribution of Form 1099-G and Form 1099-INT as indicated in the Offer Form.

This bid is made on behalf of:

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and no others. Evidence of authority to submit the bid is herewith furnished. The bid is made without collusion on the part of any person, firm, or corporation mentioned above, and no official or employee of the government is directly or indirectly interested in the bid or in the supplies or work to which it relates or in any portion of the profits thereof.

The undersigned represents: **(Check one only)**

- OR**
- ☐ A **Hawaii business** incorporated or organized under the laws of the State of Hawaii;
- ☐ A **Compliant Non-Hawaii business** not incorporated or organized under the laws of the State of Hawaii, but registered at the State of Hawaii, Department of Commerce and Consumer Affairs, Business Registration Division to do business in the State of Hawaii.

TO PRINT AND DISTRIBUTE FORM 1099-G AND FORM 1099-INT

The following bid is hereby submitted:

For the sum of:

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

	QUANTITY	PRICE PER 1,000	2012	2013
Form 1099-G (with taxpayer's data)	245,290	\$	\$	\$
Form 1099-INT (with taxpayer's data)	3,180	\$	\$	\$
Estimated Postage per mail piece	249,100	<u>Price per Piece</u> \$	\$	\$

(NOTE: Quantities are estimates and are within 10% of actual.)

TOTAL \$ \_\_\_\_\_ \$ \_\_\_\_\_

GRAND TOTAL \$ \_\_\_\_\_

The undersigned states that the undersigned has carefully read and understands the terms and conditions specified in the Instructions to Bidders, Special Provisions, Specifications, and the General Conditions attached hereto, and by reference made a part hereof; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, he/she/it is declaring his/her/it offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited state contracts; and if awarded the Contract, any services performed will be in accordance with Hawaii Revised Statutes §103-55.

The undersigned understands and agrees that on such items, which the State is exempt from federal excise tax under the Revenue Act of 1943, the bid price shall not include such tax. On such items, an exemption certificate will be furnished to the successful bidder for use by the manufacturer or manufacturers of each such article in obtaining such exemption.

All work to be performed in the State of \_\_\_\_\_. If the work cannot be performed within the State of Hawaii or the lowest price, which such work can be procured within the State, exceeds the bid of a mainland manufacturer of such items by fifteen percent (15%), the work or any part thereof so affected may be performed outside the State (Hawaii Administrative Rules 3-124-11 and 3-124-12).

Enclosed with this bid is a list of the names, addresses, and the scope of the work to be performed by all subcontractors engaged by the bidder, and a list of all locations where work is to be performed.

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The undersigned also understands that the Director of Taxation reserves the right to accept or reject any or all bids for any or all items of the Proposal and that he may waive any defect when such waiver will be in the best interest of the public. It is further understood that any bid which constitutes a conditional bid or a counter proposal will be rejected outright.

Respectfully submitted,

Date: \_\_\_\_\_

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Exact Legal Name of Offeror

Telephone No.: \_\_\_\_\_

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Authorized Signature

Fax No.: \_\_\_\_\_

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Title

Payment address, if other than street address  
at right:

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Street Address

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City, State, Zip Code

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General Excise Hawaii Tax ID No.: \_\_\_\_\_

Social Security or Federal I.D. No.: \_\_\_\_\_

If Offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the Contract, if awarded, will be executed:

Offeror is: ☐ Individual ☐ Partnership ☐ Corporation ☐ Joint Venture ☐ LLC

State of incorporation: ☐ Hawaii ☐ Other\*

\*If "other", is corporate seal available in Hawaii? ☐ Yes ☐ No

SPECIFICATIONS

FOR

FORM 1099-G

FORM 1099-INT



## BID SPECIFICATIONS

### 1. BID OBJECTIVE

Print and distribute Form 1099-G and Form 1099-INT, which shall be in compliance with the Internal Revenue Procedure 2011-60, Publication 1179 and mailed taking advantage of the lowest postage rate offered by the USPS for first-class mail from the bidder's facility. Bidder must work closely with the Department for optimal mail piece design and postal discounts. Both forms must ensure the confidentiality of taxpayers' data.

### 2. DATA

Data to be printed by bidder includes standard text as well as confidential taxpayer data to be furnished by the Department as set forth below.

Forms must be able to go through the U.S. Postal Service's Optical Character Reader machines, and Bar Code Sorting machines, without causing frequent jams or coming apart.

The following must be imprinted on both Forms 1099-G and 1099-INT:

1) The form number and the year in **bold** print

2) As the Payer: "State of Hawaii  
Department of Taxation  
PO Box 259  
Honolulu, HI 96809-0259

Payer Federal I.D. Number  
99-0277227 "

3) Amounts of refund or interest received from the Department

4) An explanation of the reported amounts as follows:

a) For the 1099-G the following plus item 4c:

#### HAWAII TAX REFUND REPORT

This notice reports the refunds you were allowed during 2012/2013 for the tax year specified. If you were allowed a refund for more than one tax year during 2012/2013, you should receive a separate notice for each year.

b) For the 1099-INT the following plus item 4c:

#### HAWAII TAX INTEREST INCOME REPORT

This notice reports the interest paid to you during 2012/2013 for the tax year specified. If you were paid interest for more than one tax year during 2012/2013, you should receive a separate notice for each year.

### **1099-G**

c) **EXPLANATION OF REPORTED AMOUNTS**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Amounts in the refund section are considered to have been paid to you whether by check, applied against other debts owed to the State of Hawaii, or credited toward estimated tax payments.

The instructions for Federal Form 1040 explains whether all or part of these amounts must be included as income on your federal return. If the amounts are included as income, be sure to include any subsequent adjustments in the amounts that are not reflected on this notice.

This is for your tax records and should NOT be attached to your return.

### **1099-INT**

This is an important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Amounts in the interest section are considered to have been paid to you whether by check, applied against other debts owed to the State of Hawaii, or credited toward estimated tax payments.

The instructions for Federal Form 1040 explains whether all or part of these amounts must be included as income on your federal return. If the amounts are included as income, be sure to include any subsequent adjustments in the amounts that are not reflected on this notice.

5) **Recipients' identification numbers**

The recipients' names, addresses, identification numbers, and amounts received from the Department will be provided on digital files by the Department by January 7, 2013 and January 7, 2014 for the first and the second term of the contract respectively.

The front of the enclosed mail piece must have the following information imprinted:

- 1) The Department's return address: State of Hawaii  
Department of Taxation  
PO Box 259  
Honolulu, HI 96809-0259
- 2) The respective form numbers in **bold** print
- 3) The wording, "IMPORTANT TAX RETURN DOCUMENT  
ENCLOSED"  
in **bold** capital letters.

3. PAPER (1099-G & 1099-INT)

Either

- 1) 8-1/2" x 11", 24# MOCR Ledger perforated for Z fold and gluing for pressure seal folded to 8-1/2" x 3-11/16" or equal.
- 2) Other format proposed by vendor that conforms to the Internal Revenue Service Revenue Procedure 2011-60, Publication 1179 and is deemed by the Department of Taxation to ensure taxpayer privacy.

Both forms shall conform to the U.S. Postal Services size specifications for enclosed letter class first class mail.

4. INK

Black. The printing on either side of the forms shall not show through the other side to reveal confidential data or to make the form difficult to read.

5. DESIGN

Bidder must provide a detailed mock-up or sample illustrating the construction, composition and personalization requirements. Samples of previous years forms are available for review upon request.

6. DISTRIBUTION

Both Forms 1099-G and Form 1099-INT must be distributed to the addressed taxpayers from the vendor's facility as an enclosed mail piece using First Class Mail. Vendor must follow USPS requirements and prepare all mail pieces so as to take advantage of the lowest postage rate offered by the USPS for First Class Mail including use of intelligent mail bar code and compliance with USPS Move Update standards. All mail pieces must be automation-compatible, 100% delivery point bar coded, zip +4 presorted. Each mail piece must include a complete delivery address with correct zip +4 code. Addresses on all mail pieces shall be updated before mailing through a USPS-approved address update tool (e.g. FASTforward<sup>SM</sup>). Address and barcode quality subject to CASS/MASS standards. Addresses matched using CASS/MASS-certified process. If sorting to carrier route, information shall be updated using CASS-certified process.

7. QUANTITIES

Form 1099-G - 245,290

Form 1099-INT - 3,810

It is anticipated that quantities will be approximately the same for both years of the initial contract term.

Quantities are estimates and are within ten percent (10)% of actual quantities.

8. DISTRIBUTION DATES

All Form 1099-G and Form 1099-INT shall be mailed via first-class mail to payees from vendor's facility between January 15, 2013 and January 21, 2013 for 2012 forms and between January 15, 2014 and January 21, 2014 for 2013 forms.

EXHIBIT A – QUANTITIES & DISTRIBUTION DATES FOR 2012 AND 2013 1099-G & 1099-INT

<b>2012</b>	QUANTITY	FINAL DRAFT TO VENDOR	COMPLETION FINAL FORMAT TEST	DIGITAL FILE	POST OFFICE
With taxpayer's data					1/15/13- 1/21/13
1099-G	245,290**	11/13/12	12/03/12	1/07/13	1/15/13-
1099-INT	3,810**	11/13/12	12/03/12	1/07/13	1/21/13
<b>TOTAL</b>	<b>249,100**</b>				

<b>2013</b>	QUANTITY	FINAL DRAFT TO VENDOR	COMPLETION FINAL FORMAT TEST	DIGITAL FILE	POST OFFICE
With taxpayer's data					1/15/14- 1/21/14
1099-G	245,290**	11/13/13	12/03/13	1/07/14	1/15/14-
1099-INT	3,810**	11/13/13	12/03/13	1/07/14	1/21/14
<b>TOTAL</b>	<b>249,100**</b>				

**\*\*NOTE: Quantities are estimates and are within 10% ± of actual**

## **1099 FILE RECORD LAYOUT**

### **1099-G – DOTAX RECORD LAYOUT**

	NAME	FROM	TO	LENGTH	COMMENTS
1	Primary SSN	1	11	11	Ex: XXX-XX-XXXX
2	Tax end year	12	15	4	YYYY
3	Amount	16	25	10	
4	Name	26	65	40	
5	Spouse's name	66	105	40	
6	Address 1	106	245	140	Street
7	City	246	274	28	City
8	State	275	276	2	State
9	Zip	277	285	9	Zip
10	Country	286	325	40	Country

### **1099-INT – DOTAX INTEREST RECORD LAYOUT**

	NAME	FROM	TO	LENGTH	COMMENTS
1	Primary SSN	1	11	11	Ex: XXXX-XX-XXXX
2	Interest amount	12	21	10	
3	Name	22	61	40	
4	Spouse's name	62	101	40	
5	Address 1	102	241	140	Street
6	City	242	270	29	City
7	State	271	272	2	State
8	Zip	273	281	9	Zip
9	Country	282	321	40	

NOTE: Layout is subject to change.